

Donors expect CAUW to remain fiscally responsible and to invest their donations wisely. Therefore, in 2008 the CAUW Board of Directors instituted a minimum \$50 designation to other 501(c)(3) nonprofits. This document will explain why.

I didn't realize it was expensive to pass my designation along to another organization.

While every dollar given to CAUW is very important, designations (*described as donations given to nonprofits other than CAUW*) are time intensive to accurately process and to assure the monies are delivered to the designated organization. Often this process occurs in increments, due to payroll deductions, which increases costs even more. Small donations to outside organizations, especially when they are less than \$50, can cost more for CAUW to process than the total donation itself. Therefore, it was not fiscally responsible to continue processing small designations.

The actual cost for CAUW to process every designation is \$4.18. With payroll deduction, dollars are received by CAUW over time and are forwarded to nonprofits afterwards. When a designation is only \$20 or \$30, the cost to CAUW is more than the total gift. By instituting a \$50 minimum, CAUW can continue the courtesy of passing along donor designations without increasing its administrative costs. Smaller gifts are always welcome given directly to CAUW for the mission of improving our local community.

How does CAUW's administrative rate compare to other organizations?

CAUW continues its commitment to keep our administrative costs well below the national average. According to the leading charity watchdog organizations, the acceptable rate is between 20% and 33%. The **average** for *charitable fundraising organizations* similar to United Ways is 23%. Therefore, CAUW is well below the standard at 15.6%. (*Other types of nonprofits, such as foundations, will have different average rates*).

Does CAUW make more money with the \$50 minimum?

No...and having a minimum actually allows CAUW to invest more in the community because the administrative rate is kept as low as possible.

Why not give directly to the agency of my choice?

Giving is a very personal decision and we encourage everyone to give *something*, no matter how much or to what organization. We hope donors understand there is great value in leveraging their donations with others to advance the common good locally. Our goal is to help assure the best resources exist for those in need. Community volunteers and donors like you make our funding decisions on behalf of all donors and in the best interest of our community.

We understand many donors have a favorite agency or cause and we encourage this spirit of giving. During the CAUW campaign, it is our hope donors will consider giving to one of our three “priority areas,” or categories for our funding, that their favorite charity falls into.

For example, if someone is involved with an organization that supports youth, we suggest donating to our priority area titled “Student Achievement.” Chances are your favorite charity might have received United Way dollars through that fund. And this way, your donation will be leveraged with those of thousands of other donors, creating a bigger impact in helping youth succeed. *(Our other priority areas can be found on our website: micauw.org)*

What if I still wish to give a designation under \$50 to an outside agency?

First, kudos to you! We apologize we cannot accommodate your gift through our annual campaign because of the reasons stated. We hope you understand it is not because your dollars are not important...because they are! CAUW is simply committed to remaining fiscally responsible to donors and the community. Thank you for taking time to understand this policy.